

COOK COUNTY HEALTH AND HOSPITALS SYSTEM  
ITEM IV(B)  
MARCH 28, 2014 BOARD OF DIRECTORS MEETING  
CONTRACTS AND PROCUREMENT ITEMS

Request #	Vendor	Service or Product	Fiscal impact not to exceed:	Affiliate / System	Begins on Page #
<b>Authorization to Negotiate and Execute Contract</b>					
1	IlliniCare Health Plan, Inc.	Third Party Administrator, Managed Care, Clinical Services	\$1,795,970,071.00	Managed Care	2
<b>Increase Contracts</b>					
2	Automated Health Systems	Service - Third Party Administrator	\$60,000,000.00	Managed Care	4
3	Catamaran	Service - Pharmacy Benefit Management Services	\$50,000,000.00	Managed Care	5
<b>Extend and Increase Contracts</b>					
4	PsychHealth, Ltd.	Service - Behavior Health Management	\$7,500,000.00	Managed Care	6
5	MHNU Corporation d/b/a Medical Home Network	Service - Care Management Analytics for CountyCare	\$3,183,740.00	Managed Care	7

# Cook County Health & Hospitals System

## BOARD APPROVAL REQUEST

<b>SPONSOR:</b> NA		<b>EXECUTIVE SPONSOR:</b> Steven Glass, Executive Director, Managed Care <i>Steven Glass</i>	
<b>DATE:</b> 03/28/2014		<b>PRODUCT / SERVICE:</b> Third Party Administrator, Managed Care, Clinical Services	
<b>TYPE OF REQUEST:</b> Authorization to negotiate and execute contract		<b>VENDOR / SUPPLIER:</b> IlliniCare Health Plan, Inc., Westmont, IL	
<b>ACCOUNT:</b> See New Proposal Justification below		<b>GRANT FUNDED /RENEWAL AMOUNT:</b> N/A	
<b>CONTRACT PERIOD:</b> 60 months from Contract Effective Date		<b>CONTRACT NUMBER:</b> H14-25-018	
<input checked="" type="checkbox"/>	<b>COMPETITIVE SELECTION METHODOLOGY:</b> See Selection Process below		
<input type="checkbox"/>	<b>NON-COMPETITIVE SELECTION METHODOLOGY:</b> N/A		

### PRIOR CONTRACT HISTORY:

There is no prior contract history for this vendor.

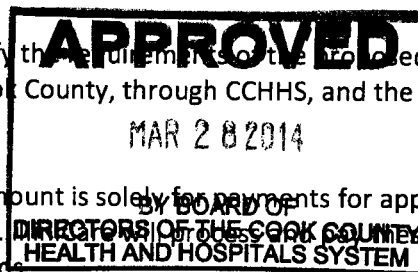
### NEW PROPOSAL JUSTIFICATION:

CountyCare is a demonstration project that began operations in late 2012 to early enroll newly eligible adults into Medicaid under the Affordable Care Act (ACA) and is integral to the transformation of the Cook County Health & Hospitals System (CCHHS). With the temporary demonstration project set to expire on June 30, 2014, CCHHS will transition CountyCare to an Illinois managed care entity.

Under this proposed contract, IlliniCare Health Plan, Inc. (IlliniCare) will provide managed care expertise and services as well as business support for the operations of CountyCare. The funds to pay for this contract and the services provided to CountyCare members originate from the Federal government under the Affordable Care Act (ACA).

Also under this proposed contract, IlliniCare will be obligated to satisfy the requirements of the proposed County Managed Care Community Network (MCCN) agreement between Cook County, through CCHHS, and the Illinois Department of Healthcare and Family Services (HFS).

It is significant to note that an estimated 66% of the not-to-exceed amount is solely for payments for approved care, services and pharmaceuticals provided to CountyCare members. IlliniCare will not retain any portion of these funds.



The proposed contract consolidates and transitions three existing contracts for: claims processing and payment, provider and member services; behavioral health benefits management services; and, pharmacy benefits management services into one. Additionally, on January 1, 2014, Illinois added optometry benefits for Medicaid recipients. Accordingly, the contract now includes optometry benefits management services.

Services to be provided through this contract for CountyCare members are: **Request #**  
**1**

- a. **Administrative Services.** IlliniCare will serve as the Third Party Administrator (TPA) providing the day-to-day administrative operations of CountyCare. These include, but are not limited to: claims adjudication,

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processing and payment; financial reporting and support; provider and member services; provider and member hotline; and CountyCare web site hosting and maintenance. These and similar administrative functions total 11.8% or an estimated \$212,744,000 over the five-year contract term. These costs are calculated on a per member per month (PMPM) basis assuming 115,000 members. Actual costs will vary based on monthly membership.

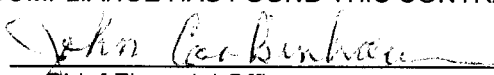
- b. **Managed Care Services and Support.** Serving as CountyCare's TPA, IlliniCare will also provide managed care services including, but not limited to, care coordination and case management; nurse hotline; quality assurance; and utilization management. These and similar managed care functions total 14.4% or an estimated \$257,646,000 over the five-year contract term. These costs are calculated on a PMPM basis assuming 115,000 members. Actual costs will vary based on monthly membership.
- c. **IlliniCare subcontracted benefits management services:** IlliniCare will subcontract for benefits management services for pharmacy, behavioral health and optometry through the existing subsidiaries' networks of IlliniCare's parent company, Centene Corp. The at-risk subcontracted services for behavioral health and optometry benefits management total 7.2% or an estimated \$129,168,000 over the five-year contract term. Costs for at-risk behavioral health and optometry benefits management services are fixed on a PMPM basis. These costs are calculated on a PMPM basis assuming 115,000 members. Actual costs will vary based on monthly membership. The estimated expenditures for pharmaceuticals and related supplies are included in the description for (d.) below.
- d. **Payments to CountyCare network providers and approved out-of-network providers:** IlliniCare will transmit payments owed by CountyCare to network providers, including contracted Federally Qualified Health Centers (FQHCs), participating hospitals, ancillary providers, pharmacies, as well as to approved out-of-network providers. These costs represent 66.6% or an estimated \$1,195,850,842 over the five-year contract term. These costs will vary depending on CountyCare member utilization.

**Selection Process:** On September 30, 2013, CCHHS issued a Request for Proposals (RFP #H13-0033) to support the transition from the temporary waiver program to a managed care organization. The RFP specifically requested Health Maintenance Organization (HMO) services, including, but not limited to: enrollment follow-up and member services, provider relation services, medical management services, care coordination and care management, quality assurance, member and provider surveys, claims review and payment services, financial analysis and services including actuarial, information technology systems and reporting and a behavioral health provider network. The RFP also required the ability to lease the HMO's license for various populations. After the RFP was issued, the State of Illinois added optometry as a required benefit for Medicaid recipients. In addition, during negotiations, CCHHS determined that adding pharmacy benefits to this contract further achieves the goals of the RFP.

#### **TERMS OF REQUEST:**

This is a request to execute contract number H14-25-018 in an amount not to exceed \$1,795,970,071.00 for a period of sixty (60) months Contract Effective Date.

CONTRACT COMPLIANCE HAS FOUND THIS CONTRACT RESPONSIVE: Pending

CCHHS CFO:   
John Cookinham, Chief Financial Officer

CCHHS CEO:   
Ram Raju, M.D. Chief Executive Officer

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# Cook County Health & Hospitals System

## BOARD APPROVAL REQUEST

<b>SPONSOR:</b> N/A		<b>EXECUTIVE SPONSOR:</b> Steven Glass, Executive Director of Managed Care <i>[Signature]</i>	
<b>DATE:</b> 02/27/2014		<b>PRODUCT / SERVICE:</b> Service – Third Party Administrator	
<b>TYPE OF REQUEST:</b> Increase Contract		<b>VENDOR / SUPPLIER:</b> Automated Health System, Schaumburg, IL	
<b>ACCOUNT:</b> 896-260		<b>FISCAL IMPACT NOT TO EXCEED:</b> \$60,000,000.00	<b>GRANT AWARD / RENEWAL AMOUNT:</b> N/A
<b>CONTRACT PERIOD:</b> 12/01/2012 thru 06/30/2014		<b>CONTRACT NUMBER:</b> H12-25-091	
<input checked="" type="checkbox"/>	<b>COMPETITIVE SELECTION METHODOLOGY:</b> RFP		
<input type="checkbox"/>	<b>NON-COMPETITIVE SELECTION METHODOLOGY:</b> N/A		

### PRIOR CONTRACT HISTORY:

The Cook County Health & Hospitals System (CCHHS) Board on 11/29/2012 approved contract number H12-25-091 for Automated Health Systems (AHS) to provide administrative and support services as a Third Party Administrator for CountyCare. Their services to CCHHS include the operation of a call center, contract management, claims review and payment. An amendment to increase the contract amount was approved by the CCHHS Board on 12/14/2012 to permit the payment of foreign claims and execute the transfer of claims payments to outside providers. The Board approved an amendment on 11/22/2013 to pay for additional deliverables for Third Party Administrative services and funding for claims payments. The contract was extended and increased on 12/13/2013 for Third Party Administrative services and claims payments.

### NEW PROPOSAL JUSTIFICATION:

CountyCare, as an 1115 waiver demonstration project, ends 06/30/2014. During the second quarter of 2014 County Care will transition to a Managed Care Community Network (MCCN). This amendment is for funding to allow Automated Health System (AHS) to process claims payments. There are no additional administrative expenses in this request. This will bring the total contract spend to \$186,290,612.00.

### TERMS OF REQUEST:

This is a request to increase contract number H12-25-091 in an amount not to exceed \$60,000,000.00, as needed for claims payment, from 04/01/2014 thru 06/30/2014.

CONTRACT COMPLIANCE HAS FOUND THIS CONTRACT RESPONSIVE: Yes

CCHHS CBO: *[Signature]*  
Anthony Rajkumar, Chief Business Officer

CCHHS CFO: *[Signature]*  
John Cookinham, Chief Financial Officer

CCHHS CEO: *[Signature]*  
Ram Raju, M.D., Chief Executive Officer

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## BOARD APPROVAL REQUEST

<b>SPONSOR:</b> N/A		<b>EXECUTIVE SPONSOR:</b> Steven Glass, Executive Director of Managed Care	
<b>DATE:</b> 03/04/2014		<b>PRODUCT / SERVICE:</b> Service – Pharmacy Benefit Management Services	
<b>TYPE OF REQUEST:</b> Increase Contract		<b>VENDOR / SUPPLIER:</b> Catamaran, Lisle IL	
<b>ACCOUNT:</b> 896-260		<b>FISCAL IMPACT NOT TO EXCEED:</b> \$50,000,000.00	<b>GRANT AWARD / RENEWAL AMOUNT:</b> N/A
<b>CONTRACT PERIOD:</b> 02/01/2013 thru 06/30/2014		<b>CONTRACT NUMBER:</b> H13-25-017	
<input checked="" type="checkbox"/>	<b>COMPETITIVE SELECTION METHODOLOGY:</b> RFP		
<input type="checkbox"/>	<b>NON-COMPETITIVE SELECTION METHODOLOGY:</b> N/A		

### PRIOR CONTRACT HISTORY:

The Cook County Health & Hospitals System (CCHHS) Board approved contract number H13-25-017 to allow Catamaran to provide pharmacy benefit management services for CountyCare, including prior authorization of pharmaceuticals, access to network pharmacies and adjudication and payment of claims. The contract was increased on 05/14/2013 to fund claims payment to outside vendors. An additional amendment to increase this contract was approved by the CCHHS Board on 11/22/2013 to provide additional funding for administrative costs and claims payment to outside vendors. On 12/13/2013, the CCHHS Board approved the latest amendment to extend the contract through 06/30/2014 and increase the contract amount.

### NEW PROPOSAL JUSTIFICATION:

CountyCare, as an 1115 waiver demonstration project, ends 06/30/2014. During the second quarter of 2014, CountyCare will transition to a Managed Care Community Network (MCCN). This amendment is for funding to allow Catamaran to process claims payments. There are no additional administrative expenses in this request. This contract increase will bring the total contract spend to \$108,810,689.50.

### TERMS OF REQUEST:

This is a request to increase contract number H13-25-017 in an amount not to exceed \$50,000,000.00 as needed for claims payment, from 04/01/2014 thru 06/30/2014.

CONTRACT COMPLIANCE HAS FOUND THIS CONTRACT RESPONSIVE: Yes

CCHHS CBO:

Anthony Rajkumar, Chief Business Officer

CCHHS CFO:

John Cookinham, Chief Financial Officer

CCHHS CEO:

Ram Raju, M.D., Chief Executive Officer

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## BOARD APPROVAL REQUEST

<b>SPONSOR:</b> N/A		<b>EXECUTIVE SPONSOR:</b> Steven Glass, Executive Director of Managed Care <i>Steven Glass</i>	
<b>DATE:</b> 03/10/2014		<b>PRODUCT / SERVICE:</b> Service – Behavioral Health Management	
<b>TYPE OF REQUEST:</b> Extend & Increase Contract		<b>VENDOR / SUPPLIER:</b> PsychHealth, Ltd., Evanston IL	
<b>ACCOUNT:</b> 896-360		<b>FISCAL IMPACT NOT TO EXCEED:</b> \$7,500,000.00	
<b>CONTRACT PERIOD:</b> 12/15/2012 thru 06/30/2014		<b>GRANT AWARD / RENEWAL AMOUNT:</b> N/A	
<b>CONTRACT NUMBER:</b> H13-25-006			
<input checked="" type="checkbox"/>	<b>COMPETITIVE SELECTION METHODOLOGY:</b> RFP		
<input type="checkbox"/>	<b>NON-COMPETITIVE SELECTION METHODOLOGY: [SOLE SOURCE]</b> N/A		

### PRIOR CONTRACT HISTORY:

The Cook County Health and Hospitals System Board approved this contract on 12/14/2012 for the services of a behavioral health management organization to provide and manage a network of behavioral health providers for the CountyCare demonstration project being implemented under the Section 1115 Waiver. PsychHealth, Ltd responded to an RFP and is experienced in providing managed behavioral health services to Medicaid recipients. Under a risk, capitation agreement, the contractor handles member and provider relations, claims, quality improvements, credentialing, behavioral health provider contracting and other required functions. On 12/13/2013, the CCHHS Board approved a request to extend the contract term through 04/30/2014.

### NEW PROPOSAL JUSTIFICATION:

CountyCare, as an 1115 waiver demonstration project, ends 6/30/2014. During the 2<sup>nd</sup> quarter of 2014, CountyCare will transition to a Managed Care Community Network (MCCN). This amendment is specifically to allow for PsychHealth, through administrative services only (ASO), to provide medical management, care coordination and claims payment through 06/30/2014. This contract extension will provide additional funding necessary to cover the scope of this work. This will increase the total contract spend to \$18,820,449.00

### TERMS OF REQUEST:

This is a request to extend and increase contract number H13-25-006 in an amount not to exceed \$7,500,000.00, as needed, (\$2,400,000.00 administrative services and \$5,100,000.00 claims payment) from 04/01/2014 thru 06/30/2014.

CONTRACT COMPLIANCE HAS FOUND THIS CONTRACT RESPONSIVE: Yes

CCHHS CBO:

*Anthony Rajkumar*  
Anthony Rajkumar, Chief Business Officer

CCHHS CFO:

*John Cookinham*  
John Cookinham, Chief Financial Officer

CCHHS CEO:

*Ram Raju*  
Ram Raju, M.D., Chief Executive Officer

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# Cook County Health & Hospitals System

## BOARD APPROVAL REQUEST

<b>SPONSOR:</b> N/A		<b>EXECUTIVE SPONSOR:</b> Steven Glass, Executive Director of Managed Care	
<b>DATE:</b> 03/10/2014		<b>PRODUCT / SERVICE:</b> Service – Care Management Analytics for County Care	
<b>TYPE OF REQUEST:</b> Extend & Increase Contract		<b>VENDOR / SUPPLIER:</b> MHNU Corporation dba Medical Home Network, Waukesha, WI	
<b>ACCOUNT:</b> 896-260	<b>FISCAL IMPACT NOT TO EXCEED:</b> \$3,183,740.00	<b>GRANT AWARD / RENEWAL AMOUNT:</b> N/A	
<b>CONTRACT PERIOD:</b> 01/01/2013 thru 06/30/2014		<b>CONTRACT NUMBER:</b> H13-25-005	
<b>COMPETITIVE SELECTION METHODOLOGY:</b>			
<input checked="" type="checkbox"/> <b>NON-COMPETITIVE SELECTION METHODOLOGY:</b> Sole Source			

**PRIOR CONTRACT HISTORY:**  
The Cook County Health and Hospitals System Board approved the Medical Home Network (MHN) contract on 12/14/2012 for project management and oversight as well as portal connectivity, management and maintenance. MHN has delivered advance care management analytics to support proactive care management for CountyCare's high risk population. On 12/13/2013, the CCHHS Board approved a no cost extension of the contract through 06/30/2014.

**NEW PROPOSAL JUSTIFICATION:**  
CountyCare, as an 1115 waiver demonstration project, ends 6/30/2014. During the second quarter of 2014 CountyCare will transition to a Managed Care Community Network (MCCN). This amendment is specifically for funding to allow services for the Managed Care Coordinated Network (MCCN). Medical Home Network has agreed to provide analytic services and MHNConnect Portal access through 11/30/2015. This will increase the total contract spend to \$6,131,500.00.

**TERMS OF REQUEST:**  
This is a request to extend and increase contract number H13-25-005 in an amount not to exceed \$3,183,740.00, as needed, for administrative services from 04/01/2014 thru 11/30/2015.

CONTRACT COMPLIANCE HAS FOUND THIS CONTRACT RESPONSIVE: Yes

CCHHS CBO: Anthony Rajkumar  
Anthony Rajkumar, Chief Business Officer

CCHHS CFO: John Cookinham  
John Cookinham, Chief Financial Officer

CCHHS CEO: Ram Raju  
Ram Raju, M.D., Chief Executive Officer

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